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MANAGEMENT WEEK AND SIMPLIFIED PRACTICE
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Ten days hence, business men in more than 100 cities throughout the United States will interrupt other occupations to take stock, as it were, of "Progress in Waste Elimination", which is the topic for Management Week 1926.

The sponsoring organizations are; American Society of Mechanical Engineers; American Management Association; American Institute of Accountants; Society of Industrial Engineers; Taylor Society; Division of Simplified Practice, Department of Commerce.

Business leaders, engineers and others in these centers have voluntarily given countless hours and a vast amount of effort, both individually and through organizations of which they are members, to develop programs for Management Week which would be of benefit to the entire community through the improvement of Management. In some cases they have volunteered their services as speakers at gatherings in other communities and have agreed to defray their own expenses as their contribution; in others they are undertaking the leadership of Management Week meetings. The success of such meetings will be of lasting credit to these men.

Three reports have been placed in the hands of hundreds of business men for consideration of the "Progress in Waste Elimination"-- the report of the Hoover Committee on "Waste in Industry", the Committee on Business Cycles and Unemployment, and the National Distribution Conference.

Scores of Chambers of Commerce and service clubs such as Rotary, Kiwanis, Civitan, Lions and executives' organizations, as well as many trade associations with nationwide membership have given their cooperation to the National Committee and the local committees on Management Week.

From all of these meetings, it is certain that those who attend will have a new comprehension of the gains made in waste elimination through improvements in management, through Simplified Practice, and other activities. And it is equally certain that a new recognition of the importance of management will result in the exchange of experiences on the part of local business men, and a general contribution to good citizenship.

In centers where there are no Management Week programs, it is possible for the business men to take a little respite from other duties to check his own business with the standards of his industry: In the subject of costs, is he making a careful analysis? Is he on the alert to find the leaks of the business and to check them? Is he thoroughly familiar with the quality of the products he handles, with the policy and standing of their manufacturer? Is he taking all possible advantage of discounts? Is he gaining from the constructive ideas offered by his business papers and the salesmen who call on him? Has his industry adopted standards, or simplified its products, either as to the materials used or the procedure? Is he working with his trade association for the advancement of his industry? These and a score of similar questions deserve his attention from a management standpoint, whether he is taking part in Management Week or not.

Business is like anything else in that the more one puts of himself into it, the more he may expect from it. Management has been indicted in a number of notable instances for failing to meet the test, for being responsible for serious wastes. Yet business, science and government are alike striving to raise the level and correct the faults; and the cooperative effort of Management Week committeemen in various cities bespeaks an interest on the part of the individual for betterment of the entire nation.

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"Industrial Merchandising" proposes a platform for Industrial distributors as follows:

- (1) Develop an accurate cost system.
- (2) Budget my business.
- (3) Stand up for fair profits.
- (4) Concentrate on Natural territories.
- (5) Develop an aggressive, creative sales force.
- (6) Organize in local groups.
- (7) Work for enabling legislation on resale price maintenance.
- (8) Support manufacturers who have consistent policies of distribution.
- (9) Cooperate with the Simplification program of the Department of Commerce
- (10) Support my Association.

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"A signal development of the next twenty years will be astounding increases in both selling and advertising efficiency, and the elimination of what will then be regarded as the stupendous waste of the previous double-decade", says Walter Mann. When we look back at the myriad production wastes of the previous generation, and the way in which they were conquered, we are led to hope and to know that our decade too will make a valuable contribution to modern business progress. And since we know the direction in which the progress is to be made; i.e. sales and advertising efficiency, the battle is half-won before we start. The Division of Simplified Practice believes that the degree of nation-wide interest in waste elimination will be an important factor in determining what comes next and whether or not we have no more hard times.

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The following article, which appears in the July 15th issue of the Iron Trade Review, may be of interest to those who are not thoroughly conversant with the cooperative services of this Department in the program for the elimination of waste.

"Efforts of the National Committee on Metals Utilization and the Simplified Practice Division, Department of Commerce, to eliminate waste in many industrial fields have been hampered to some extent, it is stated, by certain technical and scientific organizations, which see imperfections in the working plans. The plans, it is admitted, are of a preliminary nature, and consequently they are subject to revision, but the procedure of the Department of Commerce has been to allow for annual revisions to overcome obvious deficiencies.

"The acid test of any formula or theory is the extent to which it can be applied practically and successfully. The fact is the Department of Commerce has admirable facilities for broadcasting and putting over these waste elimination programs, even though they may be subject to change as they are tested. Where months and years might be consumed in bringing before industries the plans of simplification and standardization by technical and scientific bodies, even though plans might be more finished scientifically, the Department of Commerce is able to place them in working order in a much shorter time. If they are found impractical in some respects, they can be revised at the end of six months or a year. The economies of these programs, however, are effective at the start, it has been found.

At the Third Educational Exposition held by the Oregon Agricultural College, in February of this year, an exhibit showing the advantages of simplification was the object of much interest and discussion. The purpose of the Exposition is to give educational guidance to high school students, so that they may have an opportunity to see what the future offers in higher education. The Division of Simplified Practice will be glad to cooperate in furnishing exhibit material to other schools and colleges throughout the country engaged in similar activities.

In a recent article by an Internationally known banker this rather significant statement is made -- "Bankers, today, have a particular responsibility to take stock of the economic situation and to acquaint themselves with underlying conditions and tendencies that determine the course of business as a whole. Contacts established through the American Bankers Association, the National Chamber, and through all the other valuable cooperative agencies which American business has set up for intelligent industrial teamwork, must be used by the banker so that he may have a broad and far-seeing view of business conditions, not alone as they effect one branch but as they effect the whole industrial mechanism. It is his part not only to warn of untoward developments and to exert his influence to stabilize business, but also to direct attention to healthy and progressive forces which make for national prosperity; and, when conditions warrant it, to encourage the extension of legitimate activities of business." Many bankers are focusing their attention on the movement for the elimination of waste through simplification as a very important factor in stabilizing business.

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One of the large electric companies of this country reports that their product is being sold today at practically what it sold for in 1914. In answer to the question "How can you do it", the reply was -- "by weeding out all obsolete machinery and replacing it with modern machinery designed to give the maximum production at the minimum cost and by substituting better but more economical materials." Better materials are produced through the application of simplification.

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The Committee on Standardization and Simplification of Store Stock of the Purchasing and Stores Division, American Railroad Association expressed the opinion that they could make much greater progress if other divisions of the A.R.A. representing the users of materials, could be induced to lend the weight of their influence toward convincing their members of the benefits they may derive from the application of real standardization and simplification.

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"Eliminating Waste in Office Supplies & Equipment" was the subject of an address by Mr. John Mitchell, Bureau of Methods, General Electric Company, before the 13th annual convention of the Society of Industrial Engineers at Philadelphia. By adopting the central control method, the stock of standard forms, stationery and office supplies of the General Electric Company is maintained on a maximum and minimum basis. Thousands of dollars have been saved by eliminating certain grades of paper and envelopes and by the use of labor saving devices.

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"Manufacturers News", the official publication of the Illinois Manufacturers Association, is among the most recent of business papers to devote considerable space to progress in waste elimination, simplified Practice, and kindred subjects.

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In an editorial on "Preventable Waste", which appeared in a recent exchange attention is called to the untold millions of wasted dollars every season, due to the gross excess of variety in decorative furnishings with the following comment:

"Here is a thought every retailer of home furnishings and every manufacturer may well take to heart. During the past five years, several hundred industries have either already adopted new production policies or are preparing to do so. This means keener competition for the home furnishing industries from some of those which have eliminated much preventable waste. Can there be any doubt that the furniture factory, the carpet and the textile mill, should fall into line in this new industrial era? The longer they delay, the weaker their position in the congress of industries."

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One of the most significant examples of industry's progress in reducing costs through better material handling, is that of one of the large automobile manufacturing concerns. The body plant makes just one type of body, in just one finish. It is simplification with no variations. Simplification is, of course, what makes it possible and profitable to build and equip so expensive a plant, and to turn out in it a better product at a lower cost.

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A standard practice for the painting of patterns has been adopted by the Joint Committee on Pattern equipment standardization, upon which nine interested national bodies are represented. The American Foundrymen's Association, which is sponsoring this project, has prepared a chart illustrating the recommendations.

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A full page add in one of the publications of the pulp and paper industry states that "The Tragedy of Waste Is Preventable Waste." That when the railroads saved \$30,000,000 in a single year by discarding old type locomotives for the new, the paper men began thinking. And when it was shown that 1/5 of their payrolls were spent for idle time, they gasped and thought, "Well, maybe we do have some waste in the paper making business." The paper manufacturers are giving serious thought to simplification of sizes of paper stock, standard commercial forms, Etc.

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In connection with the "certification" plan of the Bureau of Standards to further the use of specifications, a questionnaire was sent out by the National Association of Purchasing Agents to 10,000 purchasing agents, designed to reveal the extent to which federal master specifications are known to and used by public and private buyers. The results of this survey will prove of vital interest to the industrial world. Replies are being analyzed daily and summary of responses will appear in an early issue of the Purchasing Agent.

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New building in the United States during the first quarter of the year totals \$1,500,000,000, an increase of \$260,000,000 over the total of \$1,200,000,000 for the corresponding period of last year, according to a nation-wide survey just completed by the Indiana Limestone Quarrymen's Association. Preliminary figures for March indicate \$550,000,000 worth of building in that month. The report embodies a statement by Thomas J. Vernia, president of the association, to the effect that a construction volume of \$5,000,000,000 is indicated for 1926. Simplification and standardization of building materials as well as stability in material and labor costs are expected to aid greatly in continued broadscale activity.

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In spite of the fact that the manufacturer of lighting equipment can be classified largely as a style business in which public taste will change, some savings in expenses would result from carrying fewer styles and varieties, according to a recent bulletin, there is a tendency on the part of manufacturers to make a complete line, that is cheap line, medium grade and high grade. This undoubtedly adds to the cost of production and it is recommended that all manufacturers study carefully this phase of their business, with a view of reducing the number of items made and producing only those lines they are best equipped to manufacture. This is a waste that any manufacturer should aim to eliminate.

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Accepting simplified practice recommendations on steel reinforcing bars and steel spiral rods, one of the important manufacturing concerns in Texas says of the former: "It is evident that the simplified practice as applied to this commodity has been of great assistance to all interests and has lowered costs." Of the latter it says: "It is our opinion that the schedule adopted is in every way adequate for all buildings, and, as a result of the simplified practice, costs will be materially lowered."

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The railroads have not reached the limit of their capacity says W.R. Cole, President, Louisville and Nashville Railroad. "They must continue to expand. The greatest field for real, constructive improvement lies in the coordination and intersification of facilities by further refinements in the existing plant, so that the output of transportation service per man, per unit of facility and per dollar of investment will be increased."

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In the "1926 Book of Facts" prepared by the Business Survey Department of the Chicago Tribune, "Simplification in Distribution" is discussed as one of the modern trends in marketing.

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On a number of occasions the American Society for Testing Materials has called attention to the fact that "their standards produce their full usefulness only when they are applied as widely as possible in the purchase of materials; and that it helps and strengthens the work of the Society when its standards are used in this way, and especially when credit is given to the Society in using them. It has been well stated that if purchasers of materials who make use of A.S.T.M. standards in writing of their own specifications will so indicate in some suitable way, their specifications will not only have a more substantial basis but the effort towards simplification and standardization will be recognized and appreciated by all concerned."

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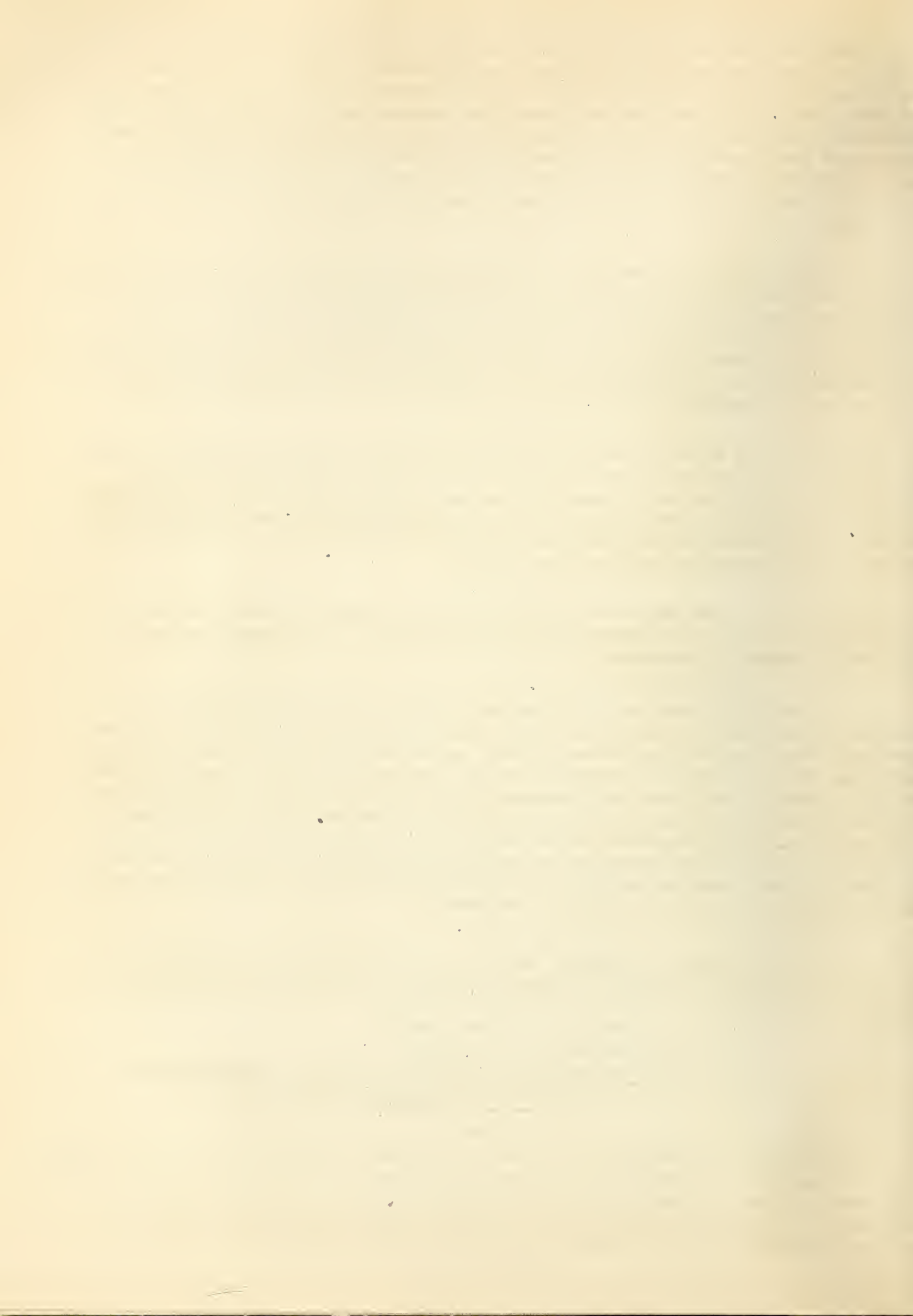
The Atlantic Refining Company, manufacturing 521 brands of candles, has evolved a plan for simplifying production without disrupting the business. The plan involved --

1. Creation of a clear record.
2. An analysis of the line.
3. Reduction of the number of products month by month,
no matter how few were eliminated.

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Count Eugenio Rebaudengo, director of the Fiat Automobile Co., Turin, Italy, who has been in the United States studying American industrial methods, has sailed for home. Modern production methods of American factories greatly impressed him and he expressed the belief that the world would profit industrially if various countries copied American organization and standardization in industry.

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A large sewing machine company has adopted a control system to stabilize production and to meet sudden fluctuations in demand. This system keeps workers continuously busy and holds down inventories. Elements of this system are : (1) the annual estimated demand of all types and styles; (2) the "Board of Control"; (3) the final regulation of work in process. Here is another example of simplification being applied with good results to a commodity which is affected by style and design.

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A questionnaire was recently sent out by one of the important organizations of the country, in which inquiry was made for the six most important subjects in the efficient management of a manufacturing plant. We give them here in the order of their importance as indicated by the returns.

- (1) Control your inventories closely.
- (2) Increase your efforts to cut production costs.
- (3) Increase the effectiveness of your sales organization.
- (4) Keep close watch of general business conditions, through the study of business statistics.
- (5) Push simplification (elimination of needless variety).
- (6) Budget your sales, production and finances.

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A group of representative manufacturers of punches and dies, meeting under the joint auspices of the National Committee on Metals Utilization and the Division of Simplified Practice of the Department of Commerce took initial steps on September 29 toward the simplification of their products.

With a view to framing a tentative Simplified Practice Recommendation to be presented to a general conference of manufacturers, distributors and users at some future time, a Simplified Practice Committee of the industry was appointed to make a survey of current practice, as a basis for a simplified list of sizes.

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A representative group of manufacturers of white glazed tiles and unglazed ceramic mosaic have prepared tentative proposals for the establishment of uniform grade nomenclature and grade marks, the formulation of minimum grade specification, and the certification of grades. The Department of Commerce has been requested to call a general conference of manufacturers, distributors and users of these commodities, for October 27, 1926.

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In accordance with the unanimous action taken on September 22, 1926, of a general conference of representatives of manufacturers, distributors and users of vitreous china plumbing fixtures the Department of Commerce, is circularizing the industry for acceptance of the Simplified Practice Recommendation which was developed, covering standard nomenclature definitions, and grading rules, as well as simplified types, sizes and dimensions of staple vitreous china plumbing fixtures. The Recommendations became effective October 1, 1926.

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On September 23, 1926, a general conference of producers and consumers of veneer stock for wirebound boxes was held in Chicago, under the auspices of the Department of Commerce. A Simplified Practice Recommendation was promulgated covering a simplified list of dimensions for air and kiln-dried stock produced from gum, pine & other soft woods. The recommendations will go into effect November 1, 1926.

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The Division of Simplified Practice will be very glad to furnish upon request copies of the summary reports giving results accomplished at the general conference referred to above.

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